

REPORT FOLLOW-UP

AGENCY: STATE INDEPENDENT LIVING COUNCIL

On October 18, 2005, the Legislative Services Office released a Management Report on Internal Control for the State Independent Living Council for fiscal year 2005. The Council was contacted on January 23, 2006, and this follow-up report addresses how the Council has responded to the one finding and recommendation contained in that report.

STATUS OF RECOMMENDATIONS:

FINDING #1 – The Council's internal control policies are not consistently followed and, in some cases, need strengthening. The State Independent Living Council was created as an entity independent from other State agencies in July 2004. Prior to fiscal year 2005, the Council was part of the Division of Vocational Rehabilitation. Since becoming a separate entity, the Council has established a relationship with the State Controller's Office to use the State accounting system (STARS), and has made a good effort in drafting some policies and procedures. However, some of the internal control procedures are not consistently followed or need strengthened, such as: the budget-to-actual report did not reconcile to the accounting system; transactions were not always coded in a consistent manner; and the accounting staff does not have a complete understanding of STARS.

We recommended that the Council staff contact the State Controller's Office for additional STARS training and follow accounting procedures in a consistent manner.

AUDIT FOLLOW-UP - The Council's accounting staff has obtained additional STARS training provided by the State Controller's Office. Also, the Council has implemented other specific recommendations to improve and strengthen internal controls including reconciling the Council's budget-to-actual report to the accounting system as well as implementing a system in which the executive director reviews the coding for the accounting transactions. The executive director stated that the LSO suggestions have been implemented and the suggestions proved to be quite helpful in improving the internal controls of the Council.

STATUS – CLOSED